

Cash Advances

State agencies have the option of offering advance payments to SFSP sponsors. A cash advance is a payment made in advance of claim reimbursement to improve cash flow.

Please note that advance funds are *not* start-up funds. Specifically, a cash advance is financial assistance made available to a sponsor for program costs before the month in which such costs will be incurred.

A sponsor may request a cash advance during initial application to participate in the SFSP or during the renewal process. If a sponsor serves meals for more than 10 days in June, the sponsor may apply for a June cash advance. If the sponsoring agency serves meals less than 10 days in June, it *must* request a July cash advance with the June days of service calculated into the initial advance payment.

Advances from the SFSP are recouped from the operational and administrative portions of the claim reimbursement until the initial advance amount is fully recouped from the sponsor. If the sponsor has submitted its last claim for reimbursement for the summer program and the advance is not fully recouped the sponsor will be billed for the remainder of the balance owed to CDE.

Very important note: If a July advance is requested, the sponsor needs to be aware that the month of July begins the new state fiscal year (July through June), and, since new state budgets are negotiated in July, advances for this month may not be processed until the state budget is signed by the Governor. The Department's CNFS has no control over the date the new fiscal year budget is signed, so there is no guarantee as to when the sponsor will receive the July advanced funds. June cash advances are not affected by the new state fiscal year.

For more specific details about cash advance calculations and regulations, please contact:

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